

From the Program Director

John H. Broussard
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On July 18, 2005, USDA Rural Development published as a final rule in the Federal Register, RD Instruction 4280 A&B. This instruction introduced the Section 9006 Guaranteed Loan Program for Renewable Energy/Energy Efficiency Improvement Program. This program supports the President's energy initiative and is a direct result of the current Farm Bill. See highlights of this new guaranteed loan program in this edition of **Louisiana's Business Line**.

The business and cooperative programs staff is dedicated to providing you with the very best service available for your business program needs. Through **Louisiana's Business Line**, we will keep you informed of any recent changes as well as ongoing activities of our programs. Please share this newsletter with any interested party.

Please contact me if you have any questions regarding USDA Rural Development's business and cooperative programs.

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New Guaranteed Loan Program Available

Section 9006 Renewable Energy/Energy Efficiency Improvement Program

USDA Rural Development has established a program for making grants, loan guarantees, and direct loans to farmers and ranchers (agricultural producers) or rural small businesses to purchase renewable energy systems and make energy efficiency improvements. This Renewable Energy Systems and Energy Efficiency Improvements Program (also referred to as Section 9006) will help farmers, ranchers, and rural small businesses to reduce energy costs and consumption.

Deadline for Grant Applications is Past
The deadline for submission of 2005 Section 9006 grant applications was June 27, 2005, and the selection process is now underway.

Now Accepting Applications for Guaranteed Loan Funding

Applications for guaranteed loan funding are currently being accepted by USDA Rural Development State Offices. Applications must be received and approved by August 30, 2005.

For more information on Section 9006 Renewable Energy/Energy Efficiency Improvement Program or other USDA Rural Development business programs, contact John Broussard, Business and Cooperative Programs Director, telephone: (318) 473-7960, e-mail: john.broussard@la.usda.gov.



Section 9006 Guaranteed Loan Program Highlights

- Guarantees considered for loans up to \$10 million. Minimum loan request = \$5,000.
- Maximum Guarantee: 85% up to \$600,000; 80% up to \$5 million; 70% up to \$10 million.
- Guaranteed loan cannot exceed 50% of total eligible project cost.
- Simplified application for requests \$600,000 or less.
- Guarantee fee = 1% guarantee fee. Can be passed on to borrower.
- Terms: 30 years real estate, up to 20 years equipment, 7 years working capital.

For more information on this program and other USDA Rural Development business programs, visit our website at:
<http://www.rurdev.usda.gov/rbs/>

What's New

- A final rule was published in the Federal Register on July 18, 2005, providing for a Section 9006 Renewable Energy/Energy Efficiency Improvement Guaranteed Loan Program.
- RD Instructions 4280 A&B, Renewable Energy Systems and Energy Efficiency Improvements Program were published.
- Louisiana's Guaranteed Business and Industry Loan Program obligations total \$18,452,000 for Fiscal Year 2005.
- USDA Rural Development national reserve funding continues to be requested for bi-monthly release to states with eligible competitive projects.



Michael B. Taylor, State Director for USDA Rural Development in Louisiana, presents the Louisiana Community Development Capital Fund, Inc., \$136,000 in Rural Business Enterprise Grant funds. These funds will be used to provide technical assistance and training workshops to rural entrepreneurs and managers in Acadia, Iberia, Jackson, Morehouse, Sabine, St. James, St. Mary, Washington, Webster, and Winn Parishes.

What is Rural?

USDA Rural Development invests financial resources and provides technical assistance to businesses and cooperatives located in rural communities. Rural areas include all areas other than cities of more than 50,000 people and the contiguous and urbanized area of such cities or towns. Please visit our website <http://www.rurdev.usda.gov/rbs> to find out more about our business and cooperative programs.



Ribbon-cutting at Bill and Ralph's warehouse distribution center in Springhill, Louisiana. USDA Rural Development Guaranteed Business and Industry loan funds were used to construct this 53,698 square-foot facility.

Contact Us

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